

operations, and capital expenses. Those interviewees who served a small urban area, or had a small urban area adjacent to their service area, also wanted the flexibility to intermingle urban and rural grants.

5. Dedicated Funding Source(s): A dedicated funding source is especially important to a regional transit system because the guaranteed revenue reduces the likelihood that the lack of local funding becomes a barrier for communities to work together in a regional transit system. If the funding is targeted only to regional or multi-county systems, it provides a very strong incentive for forming such transit systems.

6. Equity in Local Contribution: The amount and equality of local contributions appeared to be an issue mostly in systems that did not use formulas based on service consumption, or had poorly defined contribution formulas.

7. Competitive Contracts: In some states, the transportation procurement process of human service agencies creates considerable competition among different regional transit systems. Competition often results in lower-cost, higher quality service, however, the temporary nature of competitive contracts can deter the formation of progressively more efficient regional transit systems.

8. Lack of Fully Allocated Cost Accounting Practices: Case study site contacts stated that in many instances, human service agencies perceived that their costs to transport clients are less than those proposed by public transit systems. There is an inability or disinterest at some human service agencies to properly calculate their fully allocated costs (FAC) for delivering transit services.

9. Inability to Implement Authorized Funding Mechanisms: Legislation enabling regional transit systems often permits municipalities or counties to collect a variety of taxes to fund transit. However, these taxes are infrequently implemented because local elected officials, authority board members, or voters have not approved such measures, or in some cases the state legislature never approved the necessary appropriation.

## Administration

1. Resource Savings: There was a universal belief among case study site contacts that regional transit systems can offer administrative efficiencies compared to single-county systems<sup>1</sup>. The staff of the transit offices at the various state DOTs believed that having regional and multi-county transit systems helped to reduce their administrative burden to manage grant funding and regulatory programs, and organize and deliver technical assistance.

2. Conflicting Reporting Requirements: Some regional transit systems must use a variety of billing formulas, data, and cycles, generate different report formats, and maintain multiple types of eligibility records for their customers. This problem appears to occur less frequently among transit systems that contract with human service agencies, such as Medicaid and Area Aging Program, on a regional rather than a county-by-county basis.

3. Non-Uniform Regulations, Policies and Procedures Throughout the Region: The regulations, policies, and procedures can become complex for a regional system. Implementing standard procedures for call-taking, billing, and reporting throughout a region (or, statewide) facilitates the administration and operational processes of the system.

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<sup>1</sup> Cited by representatives from: RIDES Mass Transit District, 10-15 Regional Transit Agency, Kennebec Valley Community Action Program, Choanoke Public Transportation Authority, Kerr Area Transportation Authority, Santee Wateree Regional Transportation Authority, East Tennessee Human Resource Agency, Capital Area Regional Transportation System, Heart of Texas Council of Governments, Potomac Valley Transit Authority.